BUDGET

1989-90

SPEECH OF

Honourable

THIRU M. KARUNANIDHI

CHIEF MINISTER

Panguni 12, Thiruvalluvar Aandu–2020

25th March 1989

Speech of Hon'ble Thiru M. Karunanidhi, Chief Minister of Tamil Nadu, presenting the Budget for 1989-90 *to the Legislative Assembly on 25th March* 1989.

Honourable Mr. Speaker Sir,

This Government has been given shape by Perarignar Anna who permeates our thoughts. We bow towards his place of rest.

தலையாகிய அறமேபுரி சரிநீதி யுதவுவாய்
சமமே பொருள் ஜனநாயகம் எனவே முரசறைவாய்
இலையே உணவிலையே கதி இலையே எனும் எளிமை
இனிமேலிலை எனவே முரசறைவாய் முரசறைவாய்.

Seeking to translate these rousing lines of Paavendhar Bharathidasan into action, I place the Revised Estimates for 1988-89 and the Budget Estimates for 1989-90 before this House for the approval of Honourable Members.

2. Having been removed from office because we gave a call for the protection of democracy, we have served the people whether in power or in opposition, in the belief that their service is the service of God. I convey my sincere gratitude to the people of Tamil Nadu who have brought us back to the responsibilities of Government with the mandate to serve them.

3. This Government believes that the unity of India amidst its ethnic, linguistic and cultural diversities can be safeguarded only on the basis of wholesome federalism with autonomy for the States. In order to restructure the Constitution to promote this objective, a Committee was appointed for the first time in India by this Government in 1969 under the Chairmanship of former Chief Justice Thiru P. V. Rajamannar and with Vice-Chancellor Dr. A. Lakshmanaswamy Mudaliar and former Justice Thiru P. Chandra Reddy as members. It was again this Government, which brought before the Legislative Assembly and passed the Resolution for State Autonomy for the first time in India in 1974. We have thus been in the forefrcnt in promoting the demand for State Autonomy. We apprehend that the concentration of powers in the Centre will weaken the forces for unity in the country and destroy its integrity. We shall therefore continue to strive tirelessly for the success of the objective of federalism in the Centre wtih autonomy for the States.

4. "It has been our consistent stand that all the 15 national languages which find place in the Eighth Schedule to the Constitution should be official languages. Until this is done, this Government will reiterate in every forum that English should be retained as the official language. At the same time, this Government will not hesitate to oppose any effort to impose Hindi against the wishes of the people of Tamil Nadu."—Recalling this statement in the Governor's address, I wish to assure you that our Government shall always stand sentinel against the imposition of Hindi.

Centre-State Fiscal Relations

5. During the two months in which we have been in office there were opportunities to discuss Centre-State relations and legitimate assistance due to Tamil Nadu from the Centre. I have spoken in detail about Centre-State relations in the Conference of Chief Ministers held in New Delhi in February. I have explained on that occasion that it is necessary and urgent to initiate a comprehensive and inter-related discussion on Centre-State relations in the legislative, administrative and financial spheres. I have stressed that for this purpose, an Inter-State Council should be expeditiously established under Article 263 of the Constitution and that the Prime Minister should urgently discuss with Chief Ministers the structure and procedures of such a Council.

6. In the same Conference, all Chief Ministers, including myself, were of the view that the consignment tax, which is to be levied and collected by the Centre and assigned to the States, should be introduced by the Central Government without further delay, on the basis of the consensus reached in 1984. We hope that in this background necessary legislation will be introduced soon in Parliament.

7. Our Government placed a detailed Memorandum before the Ninth Finance Commission when they visited Madras in February. In particular, we have emphasised before them the need to accommodate the special problems of Tamil Nadu. We have expressed our disappointment with the Report of the Ninth Finance Commission for

1989-90 and we have provided them with detailed documentation in support of our legitimate claims so that these would be fully met in their final report for 1990–95.

8. Concern has been expressed in the Governor's address about the continuous decline in Central investments in Tamil Nadu. I have given a detailed Memorandum on this subject to the Prime Minister during my visit to New Delhi in February. We have emphasised in that Memorandum that the Centre should approve and expedite the Neyveli III mine cut, Cauvery delta modernisation scheme, upgrading the highway between Cuddalore and Kanniyakumari, and the Madras City Rapid Transport System. We have also stressed the need for an early decision on royalty and profit sharing legitimately due to us from the Neyveli Lignite Corpoation.

9. It is a matter for regret that in the recent Railway Budget, allocations for projects in Tamil Nadu are wholly inadequate. During my second visit to New Delhi, I have stressed the need to expedite the Karur-Dindigul broad-gauge railway line and the Madras City Rapid Transport System.

Financial Position

10. The Governor's Address drew attention to the fact that the Government was in the grip of a severe financial crisis. I shall be giving fuller details while reviewing the revised estimates for 1988–89. I wish to point out at the outset that this budget is being placed before you in the background of severe financial constraints. This situation is likely to improve somewhat only after several months.

11. In this context, since it is only two months since our Government assumed office, we considered whether we should submit an interim budget to be followed by a full budget a few months later, after the financial situation stabilises. However, because such a course might slow down development and create uncertainities, we have prepared the budget for a full year despite the very short time available to us.

12. In the last session of the Assembly, certain changes were brought about to the legislation and rules relating to prohibition. These changes will enable us to realise an additional revenue of Rs. 100 crores per annum. These reforms will provide some relief to our financial difficulties.

Implemented Election Promises

13. Honourable Members are well aware that not even two months have elapsed since our Government assumed office. The first session of this Assembly was inaugurated within two weeks of our coming to power. On that occasion, in the Governor's Address, the policies and priorities of the Government were outlined. We have fulfilled quite a few of our election promises within the short period of two months of taking office. In particular, these include the proposal to revive the Legislative Council, elections to Corporations, extension upto five years of the tenure of Panchayat Union Chairmen and of the Chairmen and Members of Municipalities, the restoration of responsibilities which were withdrawn from Panchayat Unions, 30 per cent reservation for women in Government employment, increasing

the age limit for employment in Government service to 30 years, and the full cancellation of belated payment surcharge on electricity dues as on 1-4-1979, if paid subsequently.

Relief to Farmers

14. In the current year, although the south-west monsoon did not fail us, the north-east monsoon has been deficient to a serious extent. As a result, there is a severe drinking water shortage in many parts of the State. Our agricultural community has also been greatly affected by the drought. The Government have examined the demand for lessening the burden of agricultural debt with considerable sympathy. In order to lessen this burden on the small and marginal farmers, the Government have taken certain decisions :

(*i*) fully write-off the overdues under medium term conversion, medium term conversion (rephasement) loans, in areas affected by drought ;

(*ii*) write-off penal interest on short-term, and medium term loans

(*iii*) write-off segregated interest under blocked account on long term loans.

15. In the past, similar concessions were announced by the previous Government. They also agreed to compensate co-operative societies for the arrears due to them from their borrowers. However, there is a balance of Rs. 67 crores yet to be paid to co-operative societies on this account. Accordingly, in the interest

of protecting co-operative societies from default, this Government have had to assume the unavoidable responsibility of meeting this shortfall. Despite our financial constraints, we have now come forward to assume a total burden of Rs. 106 crores consisting of the previous balance of Rs. 67 crores and an amount of Rs. 39 crores which is involved in the concessions that are now being announced. The present concessions will benefit 9.36 lakh farmers.

Drought Relief Works

16. The Government have initiated steps to meet the scarcity of drinking water. For this purpose, we have approved the sinking of 5,000 deep bore wells at a cost of Rs. 12.5 crores. We shall take further steps on the basis of detailed discussions with district collectors that are to be held shortly in regard to drinking water scarcity and other aspects of the drought. We have also requested the Central Government for an immediate and initial grant of Rs. 25 crores for drought relief.

Food situation

17. Compared to the production of 58 lakh tonnes of rice in 1987–88, we expect the production to be at the level of only 57 lakh tonnes in 1988–89. I wish to assure the House that despite this stagnation in the production level we shall take all necessary steps to ensure that adequate supplies are available to the people through the public distribution system without any increase in the price. The procurement target for rice for the current year is 7 lakh tonnes. It is a matter for great regret that despite several representations from our Government, the Centre

has reduced the monthly allotment of rice from the central pool from 80,000 tonnes which were being allotted between November 1988 and January 1989 to 40,000 tonnes since February 1989. Along with this reduction in allotment, the Centre has also increased, without notice, the price of rice from Rs. 2.79 per kilo gram to Rs. 3.25 per kilo gram. We have not passed on this increase in the price to the consumers. In addition to the existing burden of Rs. 113 crores on food subsidy, we have been placed in the position of having to bear an additional burden of Rs. 23 crores per annum on account of the increase in the prices notified by the Centre.

Administrative Reforms

18. We have taken certain steps in order to vigorously pursue administrative reforms.

Firstly, substantial responsibilities have been delegated to local bodies.

Secondly, a Committee has been appointed to make a detailed enquiry into temple administration following the discussions we have held with Heads of religious institutions. On the basis of the recommendations of this Committee, steps will be taken to avoid irregularities in temple administration and to bring about permanent reforms in this area.

Thirdly, a Committee has been appointed to suggest improvements to village administration. Village Officers should be resident in their villages so that no inconvenience is caused to the rural population. It is

also widely felt that this is necessary for the proper maintenance of village accounts. The Committee will also examine this aspect and report to Government.

Fourthly, the administration will be streamlined from top to bottom. Government offices from the Collectorate to the Taluk level will be modernised. Decisions will be expedited on representations from the public. Arrangements will be made to ensure that benefits announced by Government are reached to the people in an easy and expeditious manner. For this purpose, we shall make the people aware of what they need to do and what they can expect from the officials in a time-bound manner in order to obtain benefits assured to them. This will be done through notices, meetings in which the people participate, and through brochures. These measures will enable all to understand as to who are eligible to obtain benefits and to prevent sections of those who are not eligible, from capturing them.

Bifurcation of Districts for Administrative Convenience

19. In the past period, a number of districts have been bifurcated or trifurcated for administrative convenience with separate Collectorates and separate Police establishments. Names of leaders have also been given to these districts. While this is a welcome development, as far as the Chengalpattu district is concerned, it has not been named after Perarignar Anna as desired by the people of that district. Instead, when Madurai district was bifurcated, the new district with Dindigul as headquarters has been named as "Anna District". I am pleased to

announce that we shall now change this and rename Chengalpattu district as "Chengai-Anna District" and rename Anna District with Dindigul as headquarters as "Dindigul-Quaid-E-Milleth District."

20. We shall also examine the question of bifurcating other districts for administrative convenience and naming them. We shall shortly announce our decisions.

Welfare of Government Employees and Teachers

21. Parity in pay scales between Central and State Government employees having been accepted in principle by this Government, we shall obtain the report of the Fifth Pay Commission appointed for this purpose under President's rule without delay by the end of April 1989 and shall announce our decisions after examining it by the end of May 1989, with a view to meeting the demands of Government employees and teachers. These decisions will be implemented with retrospective effect from 1st June 1988.

Annual Plan Outlay for 1989-90

22. 1989–90 is the last year of the Seventh Five-Year Plan. I shall briefly refer to the plan outlay in the first four years of the Seventh Plan before coming to the plan outlay for the coming year. The Seventh Plan outlay for our State was originally fixed at Rs. 5,750 crores. The actual expenditure has been Rs. 1,012 crores in 1985–86, Rs. 1,203 crores in 1986–87 and Rs. 1,337 crores in the year 1987–88 adding up to a total expenditure of Rs. 3,552 crores in the first three years of the Plan.

23. At the time of formulating the Annual Plan for 1988–89, it was clear that the resources available for the plan would be only of the order of Rs. 1,302 crores. However, the Annual Plan for the current year was announced at the level of Rs. 1,457 crores leaving a deficit of Rs. 155 crores. The then Government agreed to cover this deficit to the extent of Rs. 50 crores through additional resource mobilisation but failed to take any measures whatsoever towards doing so. Although they abandoned nearly 409 schemes which were originally included in the budget for 1988–89, the resources available for the plan became greatly reduced on account of shortfalls in receipts and increases in expenditures. In these circumstances we have been constrained to revise the plan outlay for 1988–89 to Rs. 1,202 crores which is at the same level as the plan exenditure of Rs. 1,203 crores for 1986–87 and is less than the outlay of Rs. 1,250 crores for 1987–88. This decline in plan outlay is a matter for great concern to us.

24. The plan outlay for 1989–90 was recently discussed with the Union Planning Commission and we have been able to obtain approval for a plan outly of Rs. 1,360 crores for the coming year. Despite our diffcult financial situation, we have been able to increase the plan outlay in 1989–90 by 13 per cent over that in the previous year. Accordingly, the total plan expenditure during the Seventh Plan period can be expected to be of the order of Rs. 6,114 crores compared to the originally approved outlay of Rs. 5,750 crores. The plan expenditure achieved in the current plan period will be 20% less than the originally approved outlay at constant prices.

Agriculture

25. Agriculture provides sustenance to 70 per cent of our people. A provision of Rs. 25 crores has been made in the budget for agricultural extension. This will help to improve agricultural production and productivity throughout the State through the supply of improved seeds, chemical fertilizers, pesticides and through the introduction of new technology. In the first phase, pilot schemes will be introduced with the participation of co-operative societies and other relevant institutions. Priority will be given for the betterment of women who are involved in large numbers in agriculture. This scheme will be extended by utilising the entire staff involved in the Training and Visit scheme. Measures will be taken to meet the requirements for seed multiplication and for stocking seeds needed during emergencies.

26. The intensive rice production scheme will be implemented with adequate credit support in the coming year in 8 districts viz., Chengai-Anna, North Arcot, South Arcot, Thanjavur, Tiruchirappalli, Pudukottai, Madurai and Nellai-Kattabomman. High priority has also been given to the production of oil seeds with a target of 18 lakh tonnes in 1989–90. We have given special importance to agricultural education. At present there are three agricultural colleges in the State. I am pleased to inform Hon'ble Members that we have decided to establish the fourth agricultural college in the coming year in Tiruchirappalli district.

Forest Development

27. The social forestry project, which is assisted by the Swedish Government, is a significant project in this sector. The implementation of the first phase of this project has not been satisfactory. We propose to implement the second phase at a cost of Rs. 85.4 crores after making suitable improvements. In the last few years there has been a considerable loss of forest cover in the Nilgiris and Palani hills which has resulted in soil erosion and reduction in rainfall. In order to rectify this regrettable development and to reforest these areas, the State Government has submitted a project to the Centre. We expect an early approval to this project.

Animal Husbandry

28. A major new scheme for sheep development will be taken up in the coming year at an estimated cost of Rs. 13.73 crores. This scheme will be implemented in the districts of Chengai-Anna, South Arcot, North Arcot, Salem and Dharmapuri. The principal objective of this scheme is to improve the weight of the sheep from 15 to 20 Kgs. at present to a level of 40 Kg. This will result in an increase in incomes to those who rear them. An integrated fodder development scheme will be implemented in Pudukottai district at a cost of Rs. 4 crores.

Fisheries Development.

29. The important objectives of our programmes for the development of fisheries include improvements to fish production and productivity, brackish water

prawn production in extended areas and socio-economic programmes for fishermen. Two large fingerling farms have been taken up in Bhavanisagar and Manimuthar to increase the production of fingerlings from 60 million at present to 100 million. It is possible to utilise 37,000 acres for brackish water prawn production in the State of which, 2,500 acres will be taken up in the coming year.

Sericulture

30. A major scheme for sericulture development will be taken up in the coming year at a cost of Rs. 41.77 crores with the assistance of the World Bank. This scheme will be supported by the National Bank for Agriculture and Rural Development (NABARD) and the Industrial Development Bank of India (IDBI). The project will result in the production of mulberry in 30,000 acres at the end of the project period besides providing employment to one lakh men and women in rural areas.

Irrigation

31. The second phase of the Periyar–Vaigai Project which is being implemented at a total cost of Rs. 70 crores will be completed in the coming year. This will benefit an additional area of about 18,500 acres.

32. In 1989–90, the Poigayar irrigation scheme will be taken up in Kanyakumari district at a cost of Rs.10.87 crores and the Nambiyar irrigation scheme will be taken up in Nellai-Kattabomman district at a cost of Rs. 10.12 crores. The Pachaiyar irrigation scheme which

was proposed in 1975 has not been proceeded with because, it had not received environmental clearance. We shall take early steps to implement the scheme after obtaining the necessary clearance. An additional ayacut of 1.75 lakh acres has been localised under the Parambikulam–Aliyar project. We shall restructure the irrigation facilities in this project so as to benefit the existing ayacut as well as the additional ayacut.

33. It is necessary to relieve the drinking water scarcity in Madurai town without delay. We shall take up discussions with the Government of Kerala for obtaining 2.40 tmc of water for Madurai from the Kallar and Achankoil rivers. The Alagar anai scheme is based on collecting and storing waters from a number of minor rivers which do not flow into the Vaigai dam. We shall investigate the feasibility of this project.

34. Although tanks are an important source of irrigation, sufficient attention has not been paid to them. The Tank Modernisation Scheme, which is being implemented with assistance from the European Economic Community (EEC), will benefit 206 tanks in the districts of Chengai-Anna, North Arcot, South Arcot, Pudukottai, Pasumpon Muthuramalingam, Ramanathapuram and Kamarajar. 71,000 acres will be benefitted under this scheme, which is nearing completion. The second phase of this project to modernise 230 tanks in a five year period at a cost of Rs. 53.12 crores will be taken up in the coming year in the above mentioned seven districts and in the five districts of Tiruchirappalli, Madurai, Dindigul-Quaid-E-Millat, Nellai–Kattabomman and Chidambaranar. This will benefit 60,300 acres.

35. Nearly 60 per cent of the crop area in Tamil Nadu is unirrigated. It is therefore necessary to give high priority for moisture conservation in the dry areas and for economy in the use of water in areas receiving irrigation. In this background, we are taking up a dry land farming project in 49,400 acres in the districts of Chidambaranar and Nellai–Kattabomman which is designed to improving productivity by conserving moisture. The National Water Management Project, which is supported by the World Bank, is being implemented in Sathanur, Tambraparani and Kodayar and it will be extended to the Cumbum valley in the coming year. One more project for water management is being formulated to cover 49,400 acres in the first phase in the basins of Palar, Amaravathi, Noyyal and Vellar.

36. The Cauvery basin contributes a major share to the surface irrigation in the State. Hon'ble Members are well aware of the difficulties we experience from year to year in obtaining adequate supplies of water at Mettur from Karnataka. It is the intention of this Government to make one more attempt to reach an agreement with Karnataka on the Cauvery dispute on the basis of discussions. I wish to point out that if this expectation is not realised thereis no alternative except to urge the Centre to take the dispute to a Tribunal. We have sent a scheme for the modernisation of the Cauvery delta at a cost of Rs. 78.8 crores to the Central Government and I have emphasised the urgency for clearing this project to the Union Irrigation Minister.

37. In the future, it is essential to evolve an integrated approach for the development of irrigation in Tamil Nadu.

We have to pay adequate attention for the maintenance of existing irrigation projects. It is necessary to modernise the old river irrigation and tank irrigation systems. Different sources of irrigation, such as rivers, tanks and ground water will have to be developed in an integrated manner. These tasks will have to be undertaken with reference to the situation in each river basin. In order to further this approach, a "Standing Irrigation Development Commission" consisting of engineers and experts in other fields will be constituted on the basis of the promise made in our election manifesto.

Power

38. It became necessary to reduce the allocation for the power sector from Rs. 500 crores to Rs. 350 crores in 1988–89 on account of the reduction in the annual plan outlay. We have proposed to increase the allocation for this sector to Rs. 460 crores in 1989–90 by providing Rs. 385 crores in the Plan and by supplementing it with Rs. 75 crores which we hope to obtain from the Power Finance Corporation.

39. The third unit of the Mettur thermal project will be commissioned in the coming year and will add 210 MW. to the generation capacity. We have given priority to the Tuticorin thermal project so as to obtain an additional 420 MW. in 1991. The North Madras thermal project which can go upto a capacity of 2050 MW. has been delayed on for a long time account of problems in land acquisition. We are taking steps to overcome these problems and to expedite the project. A substantial

amount of Rs. 110 crores has been included for transmission and distribution in the allocation for power. This will enable the reliable supply of power as well as new connections to 40,000 pumpsets and for 40,000 huts in the coming year.

40. The Central Government have proposed to establish a nuclear power project in Koodankulam at an estimated cost of Rs. 4,000 crores. This will be a massive new investment in the Central sector in Tamil Nadu. Concerns have been expressed in connection with this project on behalf of affected fishermen and agriculturists who depend on irrigation from the Pechipparai dam. They have also been voiced by those who apprehend hazards from nuclear installations. We have requested the Centre to constitute an expert group in order to give the most careful consideration to these concerns and to recommend measures to implement this project with the fullest safeguards and guarantees so that it will not affect the interests of fishermen, farmers or the people in that area in any manner.

Industry

41. A basic objective of our Government is to promote the growth of industries in the State-large, medium and small. I have recently had detailed discussions on this subject with industrialists in our State. I have assured them that we shall continue various concessions that have been given to industry and that the State Government is deeply interested and involved in promoting industrial growth. We shall take steps to

expedite clearances required at the State level to start new industries and to help industry to obtain licences at the Central level.

42. There are good possibilities in Tamil Nadu for establishing several large chemical and natural gas based industries. The aromatics project to be established in Manali at an estimated cost of Rs. 840 crores has been approved. This will provide the basis for starting a number of downstream units. The petroleum crude distillation unit which is being implemented in the Nannilam taluk of Thanjavur district, at an estimated cost of Rs. 94 crores will stimulate industrial growth in that area. There are opportunities for the generation of electricity and for industrial investments based on the availability of natural gas in the Cauvery delta. We shall examine and process these proposals.

43. The Tamil Nadu Minerals Limited (TAMIN) has got into difficulties because of mal-administration. We shall set right this important public sector enterprise and utilise it to implement the Sivaganga graphite project.

44. The State Industries Promotion Corporation of Tamil Nadu (SIPCOT) will begin work on three new industrial growth centres in 1989–90 on the lines of growth centres that have been established in places such as Ranipet and Hosur. An estimated investment of Rs. 30 crores will be made in each such centre.

45. The Small Industries Development Corporation (SIDCO) will undertake, with Japanese assistance, a high technology project for the promotion of small scale

industries in drugs and pharmaceuticals, medical electronic equipment, garments, food processing and automobile components. Although Tamil Nadu is advanced in the development of small scale industries, hundreds of small scale units in our State are sick on account of financial and technical problems. We propose to establish a suitable mechanism for examining the problems of sick small scale units from all angles and for taking steps to restructure and restore them to viability.

46. We have sanctioned Rs. 250 each to nearly 12,000 workers in 17 textile mills and 4 engineering units which have been closed on account of financial or other problems from the Labour Welfare Fund. We have so far arranged for the re-opening of three of these closed units and we are taking steps to re-open the remaining ones.

Handlooms

47. The Government will disburse the arrear rebate claims of Rs. 26.15 crores to Co-optex and Primary Handloom Weavers within the next 3 months. An enforcement wing will be established to protect and preserve handlooms against competition from power looms in consonance with the handloom reservation policy. The package of programmes in the handloom sector in the coming year will include bringing more handlooms under co-operatives, production of new varieties of handloom goods, modernisation of handlooms and extending fair wages. Housing for weavers

and worksheds will be provided. The insurance scheme will be extended to cover more weavers. Loomless women weavers will be provided looms to establish themselves. Equity support will be extended to weaver members of co-operatives and new primaries to strengthen the movement. A State Level Handloom Advisory Committee will be established for all round development in this sector.

Roads

48. We have the responsibility for the maintenance and improvement of 3,700 kilo-metres of highways, 43,000 kilo-metres of district roads and more than 1,00,000 kilo-metres of panchayat and panchayat union roads in our State. Rs. 103 crores have been provided in the budget for road maintenance and for the construction of new roads. This includes a provision of Rs. 11.7 crores for new roads in rural areas and a provision of Rs. 20 crores for new roads in urban areas.

Education

49. Education has been given high priority in this budget with a provision of Rs. 900 crores. In the coming year, a special scheme will be implemented at a cost of Rs. 5 crores for providing basic facilities to primary schools in panchayat unions. 50 new schools will be established in scheduled caste habitations.

50. The demand for secondary education is constantly increasing. In order to meet this demand, 600 secondary grade teachers, 50 B.Ed. teachers and 50 Tamil pandits will be appointed in the coming

year. Secondly, school buildings are not available to an adequate extent and we shall take up 60 new secondary school buildings in 1989-90 based on a provision of Rs. 1.5 crores in the budget which will be supplemented with assistance from Housing and Urban Development Corporation (HUDCO). Training facilities have been created in 14 districts for the quality improvement scheme and new centres will be established in the coming year in the remaining 6 districts.

51. Our Government is firmly opposed to the attempt to impose Hindi through Navodaya schools which are being created under the New Education Policy. I wish to draw attention to the views expressed by educationists that Navodaya schools will only help the elite rather than the poor. We shall urge that the allocation for Navodaya schools should be redeployed for providing essential facilities to primary schools in rural areas and for upgrading them.

52. The University Grants Commission (UGC) scales of pay have been implemented for college teachers with effect from February 1989. The budget has a provision of Rs. 55 crores for meeting the additional expenditure on this account and for meeting the arrears due to them from 1st January 1986.

53. In the last few years, approval has been given to a number of private self-financing colleges. We have received several complaints that these colleges lack adequate facilities and that the quality of education provided by them is quite poor. Other irregularities have also been brought to our notice. In these circumstances, no new

private self-finanicng colleges will be approved in future. We shall also examine the functioning of all such institutions which are in existence at present and take necessary action.

Tamil Development and Culture

54. Tamil medium of instruction at the graduate level was introduced by the D.M.K. Government. In order to activate it at this level and to extend it to the post-graduate level and to higher studies and research, we shall implement programmes for the development of Tamil so that it can meet the current requirements of social and technical sciences.

55. People in many parts of the world are interested in learning Tamil. To cater to it, the Government will bring out, with expert assistance, text-books, simple dictionaries and easy grammar books in Tamil. Similarly, inexpensive translations in Tamil of world classics will be published.

56. This Government initiated efforts to bring out a well-researched history of Tamil Nadu. I am pleased to announce that this project is nearing completion in the International Institute of Tamil Studies.

57. The project for the preparation of the Tamil Etymological Dictionary, under the guidance of Devaneya Pavanar, was disbanded when its second and third volumes were ready for print. This project will be revived and work on the Tamil Etymological Dictionary will be continued. At present Government Orders are issued in English. Action will be taken to issue orders both in Tamil and English.

58. We shall re-examine and revive the proposal to instal Valluvar's statute at Kanniyakumari, which we had initiated in the past, and fulfil this magnificent task of commemorating Valluvar's immortal fame.

59. This Government had also initiated the effort to instal commemorative plaques with inscriptions of their poems at places where Sangam Poets were born. This effort will now be continued.

60. In order to promote and encourage Tamil films, awards and prizes will be given every year for three films classified as first, second and third. Similarly awards and prizes will be given to the best actors and technicians participating in these films.

Health

61. There are large disparities in the availability of health facilities between rural and urban areas. In order to remedy this situation, a programme for establishing one primary health centre each, for a population of 30,000 is being implemented in the first stage. In 1989–90, 164 new primary health centres will be opened at a cost of Rs. 3 crores. In subsequent years, we propose to establish one primary health centre for every 20,000 population according to a phased programme.

62. An additional provision of rupees one crore will be made to ensure free supply of drugs in adequate measure to poor patients in primary health centres. We have taken steps to appoint doctors in all primary

health centres. Buildings with staffquarters will be constructed in 120 primary health centres at a cost of Rs. 8 crores.

63. A High Level Committee has been established to go into issues relating to medical education and hospital administration. We shall stream-line the functioning of teaching hospitals, district and taluk hospitals based on the recommendations of this committee.

Drinking Water Supply

64. This Government will take vigorous steps to solve the drinking-water problem of our people in a time bound manner, recognising that drinking-water is an essential need. According to available data, 12,000 villages/hamlets in the State do not have drinking-water facilities as at the end of 1988–89. A provision of Rs. 155.5 crores has been made in the coming year in order to provide drinking-water facilities for 6,000 villages/hamlets as a first step and for meeting the drinking-water needs in all corporations, municipalities and smaller towns in this State.

Housing

65. The Tamil Nadu Housing Board will implement a project for constructing 19,400 houses under different schemes at a total cost of Rs. 110 crores. The Tamil Nadu Slum Clearance Board will construct 1,000 tenements at a cost of Rs. 2.5 crores in the coming year besides taking up a scheme for providing shelter to pavement dwellers. Slum Clearance schemes in 63 other towns will be continued.

66. The Ninth Finance Commission has disregarded the claims of Madras City while providing Rs. 50 crores each to Calcutta and Bombay for slum improvement We have pointed out this to them and have urged that a similar grant should be made for slum improvement in Madras.

67. As promised in the election manifesto, the Government will construct concrete houses and provide them free for Adi-dravidars as was done in 1974 instead of the existing practice of constructing thatched and tiled houses. To construct 45,000 houses, the budget for 1989-90 provides for Rs. 49 crores. 3,000 houses for fishermen will also be included in this programme.

Tamil Nadu Urban Development Project

68. With the assistance of the World Bank, the Tamil Nadu Urban Development Project is being implemented as a 6 year project with an outlay of Rs. 632.55 crores. Madras and other cities like Salem, Tuticorin, Tirunelveli, Erode, Coimbatore, Tiruchy, Madurai, Tiruppur and Vellore along with their urban agglomerations will be benefited by this project. In 1989-90, schemes like sites and services with basic amenities, slum improvement and roads will be taken up at a cost of Rs. 111.27 crores.

Nutritious Meal Programme

69. A provision of Rs. 173.8 crores has been made for the Tamil Nadu Nutritious Meal Programme which will benefit 85 lakh children. Adequate supervisory arrangements will be made to rectify the irregularities and leakages

that have come to light from time to time in this programme. We shall enable the Panchayats to supervise the functioning of this scheme and bring any short comings to the notice of District Collectors. I wish to point out that the fullest co-operation of the people is necessary to ensure that this scheme can truly provide nutrition to our children in a well co-ordinated, efficient and economic manner.

Welfare of Scheduled Castes and Scheduled Tribes

70. Our Government will pay special attention to the welfare of Scheduled Castes and Scheduled Tribes. The provision of Rs. 16.54 crores for this purpose in the current year's Annual Plan has been increased to Rs. 31.84 crores in 1989-90. 25 new hostels will be opened for Scheduled Castes and Scheduled Tribes students in 1989-90. Provision has been made to provide free education upto the graduate level for Scheduled Castes and Scheduled Tribes students as promised in our election manifesto. The allocation for providing free house-sites for Scheduled Castes has been increased from Rs. 1.15 crores in the current year to Rs. 2.35 crores in 1989-90. A special scheme with a provision of Rs. 20 crores will be implemented in the coming year to assist Scheduled Castes and Scheduled Tribes households which will have as its components,

(i) training schems

(ii) subsidies for promoting self employment.

(iii) financial assistance for setting up small producation units.

Welfare of Backward Classes

71. This Government has always given specia priority for promoting the welfare of Backward classes, especially in regard to their education and employment. In the coming year, 25 new hostels will be opened for high school students belonging to Backward Classes. The family income limit for educational concessions to Backward Class student will be increased from Rs. 5,000 per annum to Rs. 12,000 per annum.

Directorate for Most Backward Classes

72. The aspirations of Most Backward Classes including the Vanniar community, has been a majorl social issue over several years. We have recently announced certain decisions which are aimed at a permanent solution to this issue. We have decided that without any change to the 18 per cent reservations availab e for Scheduled Castes and Scheduled Tribes and to the 32 per cent available for all classes under open competitions the balance of 50 per cent will be apportioned on the basis of 30 per cent for Backward Classes and 20 per cent for Most Backward Classes and Denotified Communities. Well-intentioned sections of all communities have, expressed wide spread support to this decision.

73. Our desire and objective is that the Most Backward Classes and Denotified Communities should achieve educational, social and economic advancement by fully utilising the reservations provided for them. We have

immediately created a separate directorate for the welfare of Most Backward Classes. This directorate will take active steps to formulate schemes for the all round advancement of Most Backward Classes and Denotified Communities. In particular, it will take steps to improve facilities for promoting literacy and education in the areas in which these communities are resident.

Employment

74. Provisions have been made in several sectors in order to promote widespread employment opportunities in rura' and urban areas. The National Rural Employment Programme (NREP) and the Rural Labour Employment Guarantee Programme (RLEGP) which are being implemented with the participation of the State and Central Governments have been recently merged. A provision of Rs. 109 crores has been made for this scheme which will result in 600 lakh man-days of employment, i.e., a full year's employment for neary two lakh persons.

75. The Integrated Rural Development Programme (IRDP) is another scheme where there is Centre-State participation. A provision of Rs. 49 crores has been made for this scheme under which significant self-employment opportunities will be created for agriculture, dairying, small industries, and small business. Nearly 2 lakh persons will benefit in the coming year from this programme.

76. Another special scheme which will be implemented is the self-employment programme for urban poor under which 44,000 persons from poor households

will be given Self-employment opportunities in urban areas. This scheme is undertaken by the State Government with Central assistance. Under the programme for Self-employment for Educated Unemployed Youth, about 18,000 young persons will be provided with assistance for self-employment opportunities.

77. Over and above these schemes, we propose to implement a new scheme in the coming year for providing employment to educated youth in rural areas who have completed the 10th class in schooling and are in search of employment. Those employed under this scheme will be given a honorarium of Rs. 200 per month and will be engaged in activities such as adult literacy, continuing education, maintenance of drinking water facilities, supervision of sanitation, conduct of libraries to promote awareness, promotion of village welfare schemes, helping to protect village common property resources, small savings and the like. Employment will be provided by Panchayats under this scheme. A total of 25,000 persons throughout the State will be employed in the scheme on the basis of employment for not less than 60 persons in each Panchayat Union.

78. A similar scheme for educated unemployed in urban areas will be announced shortly after examination.

Women's Welfare

79. There can be no social renaissance without women's advancement. Women can be emancipated from their subjection and awareness can be created amongst them

only if they are given opportunities and rights in the social and economic spheres. This Government is committed to securing the dignity and development of women. The Government have announced several schemes with this objective in mind. Recalling the resolution of the first Self-Respect Conference held in Chengaplattu in 1929 under Thanthai Periar which called for equal employment opportunities for men and women and for property rights for women, we have issue/ orders reserving 30 per cent of employment opportunities in Government Offices, Public Sector Corporations and local bodies for women. We have also decided to appoint only women teachers in the first and second standards in schools. Reservation in jobs is not enough by itself ; in order to utilise it, educational opportunities need to be promoted. Accordingly, in accordance with our election promise, free education will be provided up to the graduate level for girls from poor and middle class families from the coming year.

80. Under another scheme for encouraging women's education we propose to provide a marriage grant of Rs. 5,000 to girls from poor households who have completed eighth standard and above. Rs. 6 crores have been provided for this scheme in the Budget.

81. Working women from poor households in towns and villages lose earnings at the time of pregnancy and child birth. This accentuates their poverty. In accordance with our election promise, a maternity relief of Rs. 200 will be given to them on the basis of Rs. 50 per month from the eighth month of pregnancy

up to the second month after delivery. This benefit will be available only in the case of the first two children. A provision of Rs. 4 crores has been made for the purpose.

82. A major scheme for women's development is proposed to be undertaken shortly with the assistance from the International Fund for Agricultural Development. This project will be implemented over a seven year period in Salem, Dharmapuri, and South Arcot districts at a cost of Rs. 45.8 crores to benefit about 40,000 women.

83. We have decided to amend the Hindu Succession Act, 1956 in order to provide equal property rights for female children on par with male children. Legislation for this purpose will be brought forward in this session.

Election Promises

84. The people of Tamil Nadu have sent us here on the basis of our electoral promises and to implement them. In the opening sections of this speech, I had referred to the electoral promises which were fulfilled in the Governor's address and thereafter. The debt relief to farmers and allocations for drinking water, Adi-Dravidar housing, fishermen housing, urban development, women's welfare and employment are also based on the promises made in the election manifesto. In addition to this, we had promised to implement certain schemes of particular benefit to the poor. I have great pleasure in informing Honourable Members that all these special schemes, which were included in the election manifesto, will be implemented in the coming year itself.

* Five kilo grams of rice will be provided free to all poor households on the occasion of Tamil New Year's Day, Pongal and Deepavali. This scheme will be initiated on 14th, April 1989 which marks the beginning of the New Year. 50 lakh households will be benefited under this scheme for which a provision of Rs. 14 crores has been made.

* A provision of Rs. 27 crores has been made to provide about 50 lakh poor households on Pongal Day with free distribution of one handloom dhoti and one handloom saree.

* Old age pensioners are being forced to wait for a long time to obtain old age pensions because of the ceiling placed on the number of applications which can be sanctioned. To remedy this, the ceiling will be removed and, in addition, the amount of pension will be increased from Rs. 35 per month to Rs. 50 per month. This measure will benefit 4 lakh persons including 30,000 persons who are in the waiting list. We shall ensure not only that all those who are now eligible obtain the benefit but also that in future the situation of thousands of applicants being on the waiting list will not be allowed to recur. In the same way, the ceiling will be removed for pensions for physically handicapped, widows, and destitute women and their pensions will also be increased to Rs. 50. An expenditure of Rs. 21 crores will be incurred in the coming year for this purpose.

* Poor households who happen to lose their bread-winner are plunged into distress because of the sudden loss of income. In order to assist the resettlement of

these families, a grant of Rs. 2,000 will be given to them by the Government. A provision of Rs. 3 crores is being made for this purpose.

*In the past, although a compensation of Rs. 10,000 was being given to families of victims in fatal accidents, this amount was available only to certain occupational categories. It was also subject to an annual income limit of Rs. 3,500. We have now decided to remove the income limit and extend the benefit of Rs. 10,000, in addition to categories already covered, to families of drivers of trucks, auto-rickshaws, private cars, taxis and buses and to all building and construction workers who happen to die in accidents. Appropriate amounts will also be given in the case of disabilities caused by accident injuries.

*In accordance with the electoral promise, graduate education at the B.A., B.Sc. and B.Com. stages will be made free for students belonging to Scheduled Castes, Scheduled Tribes, Most Backward Classes and Denotified Communities. A provision of Rs. 2.25 crores has been made for this purpose.

*As promised in the election manifesto, assistance will be provided for converting cycle rickshaws into motorised rickshaws. Further, drivers of cycle rickshaws, auto rickshaws and taxis will be assisted to own their vehicles. Both these schemes will be implemented on the basis of subsidised low interest loans through the Tamil Nadu Industrial Investment Corporation.

85. The benefits of the social security and social welfare schemes implemented in the past have not effectively reached the people. In extending these benefits there has been considerable delay and several irregularities. Arrangements will be made to disseminate full information on these social security and welfare schemes so that it becomes common knowledge. In implementing these programmes we shall ensure that those entitled, get assistance without any delay or difficulty.

Budget Estimates.

86. At the time of formulating the budget for the current year, namely, 1988-89, the overall deficit at the end of the year was estimated at Rs. 327.36 crores. On the basis of the revised estimates which are being presented now, revenue receipts are estimated at Rs. 3,341.48 crores and revenue expenditure at Rs. 3,650.46 crores, leaving a revenue deficit of Rs. 308.98 crores. Taking into account the net effect of other accounts, the overall deficit at the end of the current year is estimated at Rs. 175.40 crores. The reduction in the closing deficit is mainly due to the scaling down of the current year's plan outlay from Rs. 1,457 crores to Rs. 1,202 crores. I have explained that this became inevitable because the previous Government did not take steps to mobilise resources, while at the same, it undertook new non-plan expenditures. On several occasions, the Government under President's rule, and thereafter our Government, have requested the Centre to cover the current year's deficit of Rs. 175.40 crores.

87. According to the budget estimates for 1989-90, revenue receipts have been placed at Rs. 3,845.74 crores and revenue expenditure, at Rs. 4,134.23 crores resulting in a revenue deficit of Rs. 288.49 crores. Taking into account the net effect of other accounts, the overall deficit from transactions in 1989-90 has been estimated at Rs. 149.67 crores. This, along with the closing deficit of Rs. 175.40 crores at the end of the current year, is estimated to result in an overall total deficit of Rs. 325.07 crores at the end of 1989-90.

88. In bridging this deficit, we propose to undertake a few measures to raise additional resources to finance the several welfare schemes that I have announced for the benefit of the weaker sections of society. We will take care to ensure that the burden of these measures do not fall on the poor.

89. Firstly I wish to announce some changes in sales tax rates. The trading community has been representing for a long time that commodities should be brought from multipoint to single point sales tax. We have carefully reviewed the situation. When the Tamil Nadu General Sales Act was introduced in 1959 there were 63 commodities under single point levy. Between 1959 and 1973, 13 commodities were added to the single point list. It was only in 1974 that as many as 59 commodities were brought over to single point levy. Thereafter an additional 38 more commodities have been shifted from multipoint to single point levy. Notwithstanding a revenue loss of Rs. 50 lakhs, we have

now decided to bring 9 more commodities from multi-point tax to single point tax. The details of the commodities and rates of single point levy proposed on them are as follows :

Serial number.	*Item.*	*Rate of single-point tax.*
(1)	(2)	(3)
		(PER CENT)
1	Readymade garments	5
2	Animal drawn vehicle tubes ..	8
3	Scalp Vein sets, blood administration sets, blood donor sets, solution administration sets and measured volume sets	8
4	Brazing rods	10
5	Beedi leaves	5
6	Rubberised Coir Products ..	5
7	Helmets	8
8	Light roofing sheets ..	8
9	Cuddapah stone slabs, Shahabad stone slabs and granite stone slabs	8

90. Although our critical financial position renders it impossible to envisage any large surrender of revenue through exemptions, we have not hesitated to extend concessions wherever appropriate.

91. In the election manifesto we had promised that equipments used for agricultural purposes will be exempted from sales tax. The most important of these are agricultural pumpsets. The tax of 8 per cent on pumpsets of 3 horse power or 5 horse power which are mostly used for agricultural purposes will be totally withdrawn. This will result in a revenue loss of Rs. 4 crores per annum.

92. Sales tax is levied at present at 5 per cent on sand used for construction purposes. Since this levy results in harassment to those engaged in transportation of sand we have decided to drop it.

93. On humanitarian grounds, we have decided to remove sales tax on all articles used by physically handicapped persons such as crutches, wheel chairs three wheelers with or without motors and support sticks of all materials.

94. Stationery items which are mainly used by students, such as pens, ballpoint pens, pencils, refills, erasers, colour pencils, sharpners, blackboards, geometry and dissection boxes and rubber play balls will be exempted from tax. The tax on combs, an article of mass consumption will be withdrawn.

95. During the President's Rule several concessions for industry were announced—at an estimated revenue loss of Rs. 25 crores in a full year. These concessions will be continued. Some of these concessions have to

be implemented through changes in the Tamil Nadu General Sales Tax Act 1959. These amendments will be introduced in the present session.

96. I shall now turn to a few changes in tax rates to raise resources. Petrol in Tamil Nadu is subject to a sales tax of 14 per cent while the corresponding rates are 18 per cent in Andhra Pradesh and 20 per cent in Karnataka. We have proposed to raise the rate to 18 per cent. The sales tax on aviation fuel is proposed to be increased from 14 per cent to 20 per cent.

97. The rate of tax on industrial machinery is proposed to be increased from 8 to 10 per cent. The concessions given in respect of textile machinery and spare parts will continue. This increased rate will still be less than that obtaining in most other states.

98. As a measure of support to the production and sales of hand made soaps the sales tax on such soaps will remain unchanged while the tax on machine made soaps will be increased from 6 to 8 per cent.

99. It would not be unreasonable to expect those who patronise expensive hotels and restaurants to contribute a small amount to the Government for implementing schemes for the poor. We propose to levy a tax of 5 per cent on sales of food and beverages in hotels and restaurants with an annual turn over of Rs. 10 lakhs and above.

100. We propose to rationalise the surcharge and additional surcharge that is being added on to sales tax. These will be consolidated into a single surcharge of

10 per cent and made applicable to all corporations and special grade municipalities. In all other areas in the State the consolidated surcharge rate will be 8 per cent. The proceeds, net of collection charges, will be passed on to the local bodies.

101. At present, an additional sales tax is levied at 1.25 per cent on taxable turnover between Rs. 10 lakhs and Rs. 40 lakhs and 1.5 per cent on taxable turnover of Rs. 40 lakhs and more. The additional sales tax will be increased to 2 per cent on a new bracket of turnover for Rs. 1 crore and more. The additional sales tax rates will remain at the present level between Rs. 10 lakhs and Rs. 1 crore. This measure will affect only a relatively small number of very large companies.

102. The net effect of the various changes in sales tax will result in an estimated increase in revenue of Rs. 30 crores in the coming year.

103. We had announced in 1975 that we would constitute a Traders Welfare Board to promote the interests of traders and extend assistance to traders facing difficulties. This did not materialise. Recalling that promise, a Trader's Welfare Board will be established in the coming year. The Government will set apart Rs. 2 crores from sales tax revenue for this purpose. I would like to appeal to the trading community to support this effort with a matching contribution. Schemes for their benefit will be drawn up by this Board which will include traders representatives.

104. The annual yield from entertainment tax is about Rs. 60 crores. Representations have been received from producers, distributors and exhibitors on the need to rationalise the entertainment tax structure. The Government will hold discussions with representatives of all three groups and take necessary decisions.

105. This State is denied its legitimate share of sales tax on the sales of motor vehicles which are purchased outside the State and brought here. We propose to introduce legislation to curb this evasion. Motor vehicles purchased in other States brought into Tamil Nadu either for sale or for use will be subject to an entry tax before they are registered under the Motor Vehicles Act. The entry tax will be at a rate equal to the difference between the prevailing sales tax rate in the State of origin and the rate in Tamil Nadu to the extent that the former is less than our rate.

106. There has been a striking and sustained growth in two wheelers like scooters, mopeds, and motor cycles from year to year. This has rendered the present system of collection of the motor vehicles tax cumbersome both to the tax payer and to the Government.

We propose to introduce a lump sum tax for motorised two wheelers which can be paid at the time of purchasing the vehicle eliminating the inconvenience involved in paying the half-yearly tax. The lump sum tax will be Rs. 500 for two wheelers below 50 cc., Rs. 750 for those between 50 cc. and 300 cc. and Rs. 1,000 for those with a capacity of more than 300 cc. Those who are already owning such two wheelers will have the

option of either paying the lump sum tax or the annual tax. The annual tax proposed to be levied will be Rs. 80, Rs. 90 and Rs. 100 for the three categories respectively.

107. As for cars, the present rates of Motor Vehicle Tax range between Rs. 258 and Rs. 405 based on unladen weight. These will be revised in the range Rs. 300 to 500. As is the case in certain other States, the rates will be doubled for company owned cars and trebled for imported cars.

108. The tax rate per passenger seat in respect of Omni buses is proposed to be revised to Rs. 500, with the tax rate for all India permit Omni buses being brought on par with other Omni buses. There have been persistent requests to permit higher seating capacity in Vans which carry domestic tourists. It is proposed to increase the maximum number of passenger seats in vans to 12 and to fix the tax per seat at Rs. 150 per quarter.

109. At a time when more powers are being given to local bodies it is essential that their resources are strengthened. At present in Tamil Nadu, Taxes on professions, trades, callings and employments are levied by local bodies under different Acts governing them. The collections made by local bodies of this tax has been very poor. The State Government has taken over the power of levy and collection of this tax in States like

Maharashtra, Gujarat, West Bengal and Karnataka with the result that the revenue from this tax has gone up considerably. It is proposed to carefully examine the possibility of levy and collection of this tax by the Government on the basis of passing on the proceeds to the local bodies, retaining the collection charges. Without raising the rates of taxation, the intention at present, is to improve the levy of this tax, ensure better collections and pass on the proceeds to local bodies for taking up development works.

110. I had earlier pointed out that the current year's closing deficit has been placed at Rs. 175.40 crores in the revised estimates. Since finalising these estimates, the Central Government have allowed us to borrow Rs. 21.49 crores in the open market as a result of which the current year's closing deficit will be reduced to Rs. 153.91 crores. We have requested the Central Government to cover this deficit in full. We shall continue to emphasise that they should accede to our demand and cover this deficit at least in the coming year recognising that the responsibility for creating this deficit is that of the administration during President's rule.

As far as the coming year, viz., 1989-90 is concerned, a deficit of Rs. 149.67 crores will result from the imbalance between receipts and expenditures. It is our responsibility to cover this deficit. We expect a net yield of the order of Rs. 50 crores from taxation measures introduced in this budget. In addition, during

the recent discussions with the Union Planning Commission held in New Delhi, an additional amount of Rs. 34.90 crores has been assured to Tamil Nadu through additional open market borrowing and additional Central assistance. This amount, along with our own resource mobilisation of Rs. 50 crores will reduce the closing deficit at the end of the coming year to Rs. 64.77 crores. We are confident that the net deficit of this order can be covered through economy measures, better tax collection and from our share of the consignment tax which is due to be introduced in Parliament by the Centre.

111. In this connection, I wish to underline the necessity and possibility for practising economy in Government expenditures. We shall be strict in regard to expenditures such as those relating to vehicles, petrol, travel expenses, telephone expenses, and Government advertisements. In addition, all efforts will be taken to avoid waste in Government programmes, plan and non-plan. While increasing employment opportunities for the implementation of new schemes and for enlarging existing ones, we shall utilise surplus staff, to the extent that it is available in various departments for filling up new vacancies. For this purpose, a Central Manpower Cell will be established in Government.

112. In the last few years, a number of new public sector corporations have been established. We have recently announced that 10 such corporations and committees

will be wound up because they were unnecessary. Both officials and non-officials had been appointed to head many of these corporations and we have already taken decisions to effect economy by avoiding such duplication of expenditure. We shall examine the functioning of other corporations also in detail and take steps in the coming months to eliminate their losses and to improve returns from them. I assure the House that in these several ways we shall pursue rigorous measures for economy.

113. In the spirit of Puratchi Kavignar Bharathidasan's lines—

> ‘‘ தடைக்கற்கள் உண்டெனினும்
> தடந்தோள் உண்டென சிரிப்போம் ’’

we have not been daunted by the financial crisis in preparing this budget which reflects our unbounded desire to implement several schemes for assuring a bright future to the people of Tamil Nadu. This Government has not been deflected by the sharp arrows of fiscal deficits from meeting the challenge of fulfilling—without hesitation—its responsibilities.

> ‘‘ இடனில் பருவத்தும் ஒப்புரவிற்கி ஒல்கார்
> கடனறி காட்சி யவர் ’’

In Thiruvalluvar's words, even in penury those who are duty bound will not fail to carry out good works. Inspired by his words, we are dedicated to tirelessly tread the path shown by Anna in the unwavering resolve to ever serve the people of Tamil Nadu and we seek their continued whole-hearted support.

I am grateful to Thiru N. Narayanan, Finance Secretary, and other officials who have greatly helped me in preparing this budget and I place the Budget Estimates for 1989-90 before the House for its approval.

Vanakkam

Madras,
25th March 1989,
Panguni 12,
Thiruvalluvar Aandu–2020.

M. KARUNANIDHI,
Chief Minister.